

## **QANTAS MEDIA RESPONSE**

## **STATEMENT FOR ABC 730**

Date: 5 September 2019

QANTAS' profits were cut this year due to high fuel costs and flat demand. What guarantees can you give QANTAS staff that you won't cut jobs to save on costs?

Our profit was lower this year, but given the headwinds we faced it was still a very strong performance, as shown by the fact we set aside \$32 million for bonuses to around 25,000 non-executive employees.

What plans, if any, does QANTAS have to offshore more Australian-based jobs to save on costs?

The vast majority of Qantas' operations are Australian-based and there are no plans to change that.

Can QANTAS cut costs and still maintain safety?

We will never compromise on safety. Ever.

Can QANTAS cut costs and still maintain quality of service?

We continue to invest strongly in customer experience. Our expected capital expenditure for this financial year is \$2 billion. That includes upgrades to lounges, continued rollout of free inflight Wi-Fi, introducing six new 787 Dreamliners and an overhaul of our A380s.

What is QANTAS doing to protect its domestic market share from VIRGIN?

The Australian domestic market is highly competitive and we take nothing for granted. We continue to invest in training our people and improving what we offer customers. In the past financial year, Qantas grew its share of the corporate travel market, led by the resources sector.

Given the high cost of fuel is hurting both VIRGIN and QANTAS - does QANTAS believe the Federal Government should subsidise aviation fuel or cap the cost?

No, we don't, but we are in discussions with government regarding support for a biofuel industry in Australia, which we think would benefit the economy as well as the environment. We have also called out the impact that charges from monopoly airports have on the market and asked for changes to allow for an independent arbitrator to provide some basic checks and balances on pricing.

What is the level of non-weather related cancellations on routes between Sydney-Melbourne-Canberra? How does this compare with non-weather related cancellations on the rest of the QANTAS domestic network?

(Note: We have used the July on time performance data, which is the most recent publicly available.)

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Almost all cancellations on the Sydney/Melbourne – Canberra route were weather related causes with only 1.5 per cent cancelled due to engineering or other operational issues.

More than 95 per cent of the cancellations recorded on the Melbourne – Sydney route were due to weather, air traffic delays, single runway operations which reduce the number of landing slots.

Our higher number of flights (about 30 per cent more on Melbourne-Sydney) means we can typically re-accommodate passengers in a shorter amount of time.

## What financial compensation does QANTAS provide its customers when it cancels flights?

In the event of a flight cancellation, passengers have a number of options available to them. They can chose to move onto the next available service, be provided with accommodation if required or be eligible for a refund due if the delay is significant. More information can be found <a href="https://example.com/here/">here</a>.